

Message Text

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PAGE 01 RANGOO 03306 120506Z

ACTION EA-12

INFO OCT-01 ISO-00 SOE-02 AID-05 CEA-01 CIAE-00
COME-00 DODE-00 EB-08 DOE-15 H-01 INR-10 INT-05
L-03 NSAE-00 NSC-05 OMB-01 PM-05 ICA-11 OES-09
SP-02 SS-15 STR-07 TRSE-00 ACDA-12 NEA-10 EUR-12
XMB-02 PA-01 /155 W

-----084427 121500Z /42

R 120351Z SEP 78

FM AMEMBASSY RANGOON

TO SECSTATE WASHDC 5898

LIMITED OFFICIAL USE RANGOON 3306

E.O. 11652: N/A

TAGS: EFIN, ENRG, BTIO, BM

SUBJECT: \$10 MILLION LOAN TO MYANMA OIL CORPORATION FINALIZED

REF: 77 RANGOON 1626

1. CHASE MANHATTAN ASIA LTD AND TEN OTHER SYNDICATION PARTICIPANTS SIGNED A \$10 MILLION LOAN AGREEMENT WITH THE MYANMA OIL CORPORATION ON SEPTEMBER 8 FOR THE PURCHASE OF FOUR ONSHORE OIL RIGS. THE LOAN IS A FOLLOWUP TO THE \$38.75 MILLION LOAN SIGNED IN JUNE 1977 (SEE REFTTEL). IN ADDITION TO CHASE, WHICH IS THE LEAD BANK, PARTICIPANTS IN THE LOAN ARE: WARDLEY LTD, ARAB-MALAYSIAN DEVELOPMENT BANK, COMMERCEBANK INTERNATIONAL S.A., OVERSEAS UNION BANK LTD., ROYEAST INVESTMENTS LTD., PAN ASIAN FINANCE LTD., SCANDINAVIAN FAR EAST LTD., TOKYO FINANCE (ASIA) LTD., UNITED CHASE MERCHANT BANKERS LTD., AND YASUDA TRUST AND FINANCE (HONG KONG) LTD.

2. THE INTEREST RATE ON THE NEW LOAN IS 2.0 PERCENT OVER LIBOR (LONDON INTER-BANK OFFERED RATE); LOWER THAN THE 2.5 PERCENT OVER LIBOR RATE CHARGED ON LAST YEAR'S LOAN.
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CHASE OFFICIALS SAID LAST YEAR'S HIGH INTEREST RATE REFLECTED DIFFICULTY OF SYNDICATING THE LOAN. THE LOWER RATE ON THE NEW LOAN IS PROBABLY DUE TO GUB'S GOOD REPAYMENT RECORD AND INCREASED WILLINGNESS BY OTHER BANKS TO PARTICIPATE IN LOANS TO BURMA.

3. CHASE OFFICIALS DO NOT ANTICIPATE DRAWDOWN UNTIL

NEXT YEAR BUT TENDERS FOR THE RIGS HAVE ALREADY BEEN
ISSUED AND ARE EXPECTED TO RESULT IN SIZABLE SALES BY
U.S. FIRMS.
BEAN

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PETROLEUM INDUSTRY, LOANS, BANK LOANS, LOAN AGREEMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 12 sep 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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ISecure: 1
Legacy Key: link1978/newtext/t19780976/aaaaclax.tel
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Litigation Codes:
Litigation History:
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Message ID: dece5b52-c288-dd11-92da-001cc4696bcc
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Review Action: RELEASED, APPROVED
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